

Acknowledgment and Assumption of Liability Agreement

ISP Environmental Services Inc., formerly ISP 9 Corp. ("IES"), assumes any and all environmental liabilities of G-I Holdings Inc. ("G-I"), ACI, Inc ("ACI" and collectively with G-I, the "Debtors"), GAF Corporation, GAF Chemicals Corporation, those entities hereby identified as "GAF Related Corporations" in footnote 1^{1/} and each of their subsidiaries, ~~and~~ affiliates, predecessors and successors to the United States Environmental Protection Agency ("EPA"), National Oceanic and Atmospheric Administration ("NOAA"), and the United States Department of the Interior, Fish and Wildlife Service ("DOI" and collectively with EPA and NOAA, the "United States Claimants") for the GAF Chemicals Site (EPA ID # NJD002185973; NJDEP Site ID (Master File) 66086; NJDEP PI # G000001667), the LCP Chemicals Inc. Superfund Site (EPA ID # NJDO79303020; NJDEP Site ID (Master File) 41246; NJDEP PI # G000003747) and the Diamond Alkali Site (EPA ID # NJD 980528996; NJDEP Site ID (Master File) 35956; NJDEP-ID # 332812 (Newark Bay Study Area); NJDEP PI # 332799 (Passaic River Study Area)(collectively the "Linden Sites").

IES stipulates that it ~~has assumed liability for, and is~~ the a corporate successor to GAF Corporation and GAF Chemicals Corporation with respect to any and all environmental liabilities for the Linden Sites. These assumed environmental liabilities by IES are in addition to any environmental liabilities at the Linden Sites for which IES may be independently potentially responsible. Nothing herein shall preclude the United States from asserting that any entity other the Debtors are liable for response costs and natural resource damages at the Linden Sites.

Notwithstanding the foregoing, ~~IES, the Debtors, GAF Corporation, GAF Chemicals Corporation, GAF Related Corporations, and their subsidiaries, affiliates, predecessors, and successors~~ does not waive and expressly reserves any and all defenses, set offs, claims, counterclaims, demands, rights or causes of action ~~they IES or any of the Debtors' subsidiaries, affiliates or predecessors currently have~~ or may be entitled to in the future with respect to such environmental liabilities, except ~~IES they~~ shall not raise any defenses: (1) based upon the discharge of such environmental liabilities in the Debtors' bankruptcy cases; (2) based upon the United States Claimants' withdrawal of their Proof of Claim in the Debtors' bankruptcy cases as it relates to the Linden Sites; ~~or (3) based upon IES not being the corporate successor to any environmental liabilities of the Debtors, GAF Corporation, GAF Chemicals Corporation, GAF Related Corporations and each of their subsidiaries, affiliates, predecessors, and successors, or their subsidiaries or affiliates in connection with the Linden Sites.~~ (4) in recognition that the United States filed a Proof of Claim against the Debtors on October 15, 2008, based on a statute of limitations, or (5) based on liability being reduced ~~IES further agrees that the liability assumed pursuant to this Assumption of Liability Agreement will not be reduced on account of the~~ Debtors' bankruptcy cases.

In consideration for this Acknowledgment and Assumption of Liability Agreement, the United States Claimants hereby withdraw such portion of the Proof of Claim respecting the Linden Sites filed in the Debtors' bankruptcy cases, and covenant not to sue the Debtors, ~~or any of their subsidiaries or affiliates (other than IES)~~ as set forth in paragraph ____ of the **Consent Decree and Settlement Agreement** — ~~Among the United States Claimants and the Debtors~~ for any claims or liabilities relating to the Linden Sites. ____

^{1/} "GAF Related Corporations" shall include, but not be limited to, International Specialty Products Inc., International Specialty Holdings LLC, ISP Chemo LLC, ISP Alginates Inc., Bluehall Incorporated, ISP Chemicals LLC, ISP Water Management Services LLC, ISP Real Estate Company, Inc., ISP U.S. Sales LLC, ISP Synthetic GP LLC, ISP Management Company, Inc., ISP Synthetic Limited LLC, Qaulity Fine Chemicals LLC, and ISP Technologies Inc.

In consideration for this Acknowledgment and Assumption of Liability Agreement, the Debtors (1) covenant not to sue the United States Claimants as set forth in paragraph ____ of the Consent Decree and Settlement Agreement ~~Among the United States Claimants and the Debtors, and~~ (2) agree IES's debt of \$20.1 million to ISP Management Company, Inc. shall be subordinated to the United States' environmental claims at the Linden Sites as set forth in the United States Proof of Claim such that these claims shall be resolved or otherwise satisfied by IES prior to IES making payments on such debt to ISP Management Company, Inc.

This Acknowledgment and Assumption of Liability Agreement is solely for the benefit of the parties to this Acknowledgment and Assumption of Liability Agreement and may not be deemed an admission of IES by any entity not a party to this Assumption of Liability Agreement or be enforced, relied upon or utilized by any entity not a party to this Assumption of Liability Agreement.